# Regional Housing Needs ASSOCIATION OF Bay Area Governments

Housing Methodology Committee Meeting April 14, 2000



Show committee members some options and ask for feedback

Take input from the committee and develop a final list of options for the Executive Board

Find solutions without diverting too far from the existing path



Allocations of need in the unincorporated spheres of influence (SOI) to cities and counties

The jobs/housing weighting factor



Request a legislative extension of the process (6 months)

Develop options related to the SOI and j/h weighting concerns



Concerns from counties and cities about units in the unincorporated areas

Concerns expressed by HCD about planning for units in the uninc. areas

Inability of counties and cities to reach agreement about a redistribution



- Split the uninc. SOI units 50/50 between the cities and the counties
- Give 100% of the SOI units to the cities
- Continue to allow for county/city redistribution talks to occur after the new distribution is set.



- Concerns from jurisdictions that the j/h weighting pushed housing towards housing rich jurisdictions
- Existing j/h relationship not recognized in the present methodology
- Weighting factor is heavily weighted to household growth and does not consider job growth enough



- 1. Leave the weighting factor alone (keep 10/90 weight)
- 2. Modify the j/h weighting factor (30/70, 50/50, 70/30)
- 3. Recognize existing j/h relationship and apply it in the methodology, and possibly adjust the weighting factor (Staff Preferred Option)

## Option 3: Purpose and Objective

- Recognize the existing jobs/housing ratio for each jurisdiction compared to the regional average (1.42 j/h)
- Allow for those jurisdictions currently below the regional average (jobs poor/housing rich) to add jobs without affecting housing need allocations (in a majority of cases)

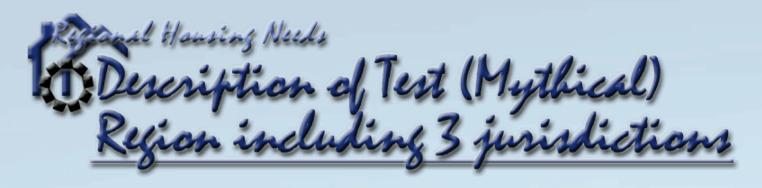
## Hering Needs How It's Done (methodology)

- Calculate the existing jobs/housing ratio (1999) for each jurisdiction and the existing regional average (1999).
- Establish a "credit" (jobs bank) for jurisdictions that have fewer jobs per household than the regional average. The credit is based on each jurisdiction's existing (1999) jobs/housing ratio.
- Adjust the forecast jobs growth ('99-'06) by applying each jurisdiction's credit.
- Apply forecast housing growth and adjusted job growth to the RHND methodology.

### ABAG Regional Housing Distribution Model

#### Jurisdiction A

Households 2006	Households 1999	Household Growth	Regional Household Growth Tota		Share of Household Growth		
8,547 minus	8,000 equals	547	2,95	5	18.50%		
Jobs 2006	Jobs 1999	Job Growth	Regional Joh Growth Tota		Share of Job Growth		
25,640 minus	20,640 equals	5,000	14,500	0	34.483%	4	
Share of Job Growth	Weight Factor	Share of Household Growth	Weight Factor		HCD Regional Need		RHND Allocation
( 34.483% x	0.1 plus	18.50% x	0.9	) x	75,000	equals	15,073
		5		P T	age Yearly Need f Regional Need		2,010



#### Jurisdiction A:

1999 Existing: Job rich & housing poor (2.58 jobs per household)

1999-2006 Forecast: Continued job growth, with limited housing growth

#### Jurisdiction B:

1999 Existing: At the regional jobs/household average (1.42 jobs per household)

1999-2006 Forecast: Continuing job growth & housing growth to remain at the regional average

#### Fil Jurisdiction C:

1999 Existing: Jobs poor & housing rich (0.25 jobs per household)

1999-2006 Forecast: Increased job growth, with limited housing growth



Step 1: Calculate the 1999 Jobs/Household ratio for each jurisdiction and for the region.

Divide each jurisdiction's jobs 1999 [jobs1999] by households 1999 [hh1999] to determine the jurisdictional jobs/household ratio.

Take the average of each jurisdiction's ratio to determine the regional average jobs/household ratio.

The state of the s	1999 Jobs	-	1999 Households	1999 Job/Household	
Jurisdiction A	20,640	1	8,000	2.58	Jobs Rich Jurisdiction
Jurisdiction B	8,520	1	6,000	1.42	Equal Jobs and Households
Jurisdiction C	1,000	1	4,000	0.25	Household Rich Jurisdiction
	Regional Av	erage .	Job/ Household	1.42	



#### Step 2: Establish credit for Jobs/household ratio

Multiply each jurisdiction's households in 1999 by the regional average jobs/household ratio (identified in step 1) to determine the number of jobs that would put the jurisdiction at the regional average. [replacement jobs 1999]

	1999 Households		Regional Average J/H Ratio	Replacement Jobs 1999	
Jurisdiction A	8,000	X	1.42	11,333	Jobs Rich Jurisdiction
Jurisdiction B	6,000	X	1.42	8,500	Equal Jobs and Households
Jurisdiction C	4,000	X	1.42	5,667	Household Rich Jurisdiction



#### Step 3: Determine the potential "credit" to the jobs portion of the existing allocation formula

From this number [replacement jobs 1999], subtract the jurisdictions 1999 jobs number [jobs1999] to determine the "credit". [credit]

Subtract the "credit" from the job growth of [jobs2006 minus jobs1999] to determine the "adjusted" job growth to be applied in the methodology.

		Replacement Jobs 1999		1999 Jobs	Job Credit		
	Jurisdiction A	11,333	minus	20,640	9,307	0	Jobs Rich Jurisdiction
	Jurisdiction B	8,500	minus	8,520	-20	0	Equal Jobs and Households
	Jurisdiction C	5,667	minus	1,000	4,667	100	Household Rich Jurisdiction
	The second secon						
ð	date	Job Growth		Job Credit	Adjusted Job Growth		
ð	Jurisdiction A		minus	and the second			Jobs Rich Jurisdiction
č	1	Growth	minus minus	Credit	Job Growth		Jobs Rich Jurisdiction  Equal Jobs and Households



#### Sten 4

	HOUSEH	OLDS		JOBS	AD.	JUSTED JOBS	
JURISDICTION	GROWTH	SHARE OF GROWTH	GROWTH	SHARE OF GROWTH	ADJUSTED GROWTH	ADJUSTED SHARE OF GROWTH	RHND ALLOCATION
Jurisdiction A	547	18.5%	5,000	34.5%	5,000	51%	16,300
Jurisdiction B	1,408	47.7%	2,000	13.8%	2,000	20%	33,697
Jurisdiction C	1,000	33.8%	7,500	51.7%	2,833	29%	25,003
Region	2,955		14,500		9,833		75,000

Weight on Households 0.9
Weight on Jobs 0.1
HCD RHND 75,000

## Comparison of weighting factors with/ without the Job Bank "Credit"

	Jurisdiction A	Jurisdiction B	Jurisdiction C	
	jobs rich	balanced jobs/household	household rich	
10/90	16,300	33,697	25,003	with adjustment
Split	15,073	33,206	26,721	without adjustment
30/70	21,153	29,599	24,249	with adjustment
Split	17,470	28,126	29,404	without adjustment
50/50	26,005	25,500	23,495	with adjustment
Split	19,869	23,045	32,086	without adjustment
70/30	30,857	21,402	22,741	with adjustment
Split	22,266	17,965	34,769	without adjustment



#### ...the credit is used in the methodology?

answer: Allows job poor, housing rich jurisdictions to add jobs,
 while limiting the affects of the housing needs allocation

#### ...the weighting factor is modified?

- answer: housing allocations will be based more heavily on anticipated job growth.
- answer: the modification will shift housing allocations from jurisdictions in the North and East Bay (generally) to jurisdictions in the West and South Bay (generally).



- Work to obtain legislated extension
- Take recommended methodology modifications to the ABAG Executive Board for discussion and decision (May 18, 2000)
- If modifications are made, and the extension is granted, then release modified numbers for review and comment, and complete RHND process by December 31, 2000
- If the extension is granted, the update of housing elements timeframe would be moved back by 6 months, to December 31, 2001.